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## EXPLORING THE IMPACT OF REWARD AND RECOGNITION ON EXPAT EMPLOYEE RETENTION

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### Abstract

This study examines the relationship between customised incentive and acknowledgment systems and the ability of multinational corporations to retain expatriate staff. The research employs both primary and secondary data gathering methods to analyse data from 250 expatriates. Secondary sources and a structured questionnaire are used to do this. The findings indicate a noteworthy and affirmative correlation ( $r = 0.65$ ,  $p < 0.01$ ) between the efficacious execution of reward and recognition initiatives and the capacity to retain staff members. The study emphasises the importance of tailored incentive programmes in improving job satisfaction and dedication among expatriates, offering valuable insights for organisations to create strategies that promote expatriate retention and facilitate sustained organisational expansion.

**Keywords:** *Expatriate Employee Retention, Reward and Recognition Programs, Multinational Firms, Employee Incentives*

### Introduction

An individual is commonly referred to as an expatriate when they live or work in a country that is not their country of citizenship. Expatriate workers typically have a short duration of employment in a foreign country, distinct from their country of origin. Multinational firms often send expatriated personnel on long-term missions to work abroad. This can be achieved for either corporate or non-profit purposes. Regularly, the business needs to send a high-ranking executive to oversee the activities in a foreign region or set up a new branch office (Guerra-Papellero, 2019). When referring to local nationals, we are specifically addressing those who are either citizens of the country or have resided there for a significant period of time. This conduct is frequently observed in the office. Expatriate workers typically enjoy higher compensation in comparison to their counterparts in their countries of origin and local employees. Nevertheless, numerous expatriates may have emotional difficulties when they must part ways with their friends and family in their place of origin and acclimatise to a foreign culture and professional setting. Furthermore, this is a vital consideration for businesses when deciding whether or not to offer expatriate workers higher compensation and perks (Ahammad et al., 2016).

Developing a more advanced global employee incentives system is a complex task that requires careful attention due to its unique structure and associated challenges. The reason for this is the intricate and challenging nature of the task. The literature on this topic has faced criticism from reviewers for its tendency to impose standards and its excessive use of descriptive language (Das &



Baruah, 2013). The aim of the study is to incorporate several perspectives, with strategic management and social science analysis serving as contributing factors. Reward, also known as remuneration or compensation, is the term used to explain how employees are compensated for their efforts while fulfilling their duties in the workplace. Extrinsic awards are concrete kinds of remuneration given to employees in exchange for their efforts to the business. These sources of compensation include monetary compensation and supplementary perks. The notion of a "effort-reward bargain" is a fundamental aspect of the employer-employee dynamic (Daudi, 2021). Awards can boost employee recruitment and retention and inspire individuals and groups. Rewards may benefit everyone. A link between the two factors causes this result. It can also boost employee satisfaction, job performance, and productivity by motivating them. Because it affects motivation. Existing expatriate compensation research fails to adequately cover these key concepts, which is frustrating.

Two fundamental factors—incurred expenses and retained labour count—drive this discussion. The study found that a well-structured and managed strategy can manage expenses and keep expatriates motivated and productive. Expatriate workers connect diverse markets and help companies succeed in a globalised workforce. Because of their experiences and the challenges of working somewhere else, it can be challenging to retain these personnel (Ghosh et al., 2016). The purpose of this study is to look into how personalised methods of reward and recognition affect the retention of foreign workers. This research aims to find the essential characteristics that improve the retention of expatriates by analysing the efficiency of several incentive programmes and their link with job satisfaction and commitment. Comprehending these dynamics is crucial for organisations to formulate efficient strategies that not only cater to the distinct requirements of expatriates but also cultivate a supportive work environment, ultimately leading to long-term organisational growth and a competitive edge (Maley et al., 2020).

**Objective of Study:** To explore the correlation of reward and recognition with employee retention.

**Hypothesis of Study (H<sub>0</sub>):** Reward and retention positively correlated with employee retention

### **Review of Literature**

**Caligiuri, 2014** research emphasises the importance of human resource management (HRM) policies in improving employees' ability and desire to share information. In **Imna and Hassan, 2015** performed research with the aim of examining the impact of human resource management practices on employee retention rates. The findings of this study did not uncover any noteworthy consequences about the influence of performance appraisals or training and development on employee retention. The study conducted by **Ahammad et al., 2016** aims to offer new perspectives on the elements that promote or hinder the transfer of information, and to examine the influence of knowledge transfer on the performance of CBA programmes. The writers of the article, **Maley et al., 2020** conducted a thorough analysis of a crucial aspect of strategic global human resource management. This component refers to the remuneration provided to expatriate managers in periods of global business volatility. Despite the ample data supporting the advantages of expatriation for multinational corporations (MNCs), the expenses associated with it are exorbitant.

### **Research Methodology**

Using a mixed-methods strategy that integrated primary and secondary data collection techniques, this study looked at the impact of reward and recognition on the retention of foreign workers.



- **Sample and Sampling Technique:** The investigation concentrated on a sample size of 250 expatriate personnel employed by multinational corporations. Participants who were engaged as working-class expatriates were selected through intentional sampling.
- **Primary Data Collection:** A standardised questionnaire was developed specifically for this study to capture the primary data. The questionnaire was designed to collect quantitative data regarding the efficacy of a variety of incentive and recognition programmes in the retention of expatriate employees.
- **Secondary Data Collection:** Secondary data was acquired from pertinent reports and extant literature to supplement the primary data. The findings from the primary data collection were validated and enhanced by the additional context provided by this pre-existing information.
- **Data Analysis:** Correlation analysis, a statistical measure, was implemented to investigate the correlation between reward and recognition practices and expatriate employee retention.

**Results and Discussion**

- **Correlation Analysis:** In order to examine the connection between reward and recognition programs and employee retention, we performed a Pearson correlation study. statistical technique quantifies the magnitude and orientation of the linear correlation between two variables.
- **Pearson Correlation Coefficient (r): 0.65:** The linear relationship between two variables is measured by the correlation coefficient (r), which expresses its strength and direction. The correlation coefficient in this instance is 0.65, indicating a highly positive relationship between incentive and recognition initiatives and staff retention.
- **Significance Level (p-value): < 0.01:** The p-value, which suggests that there is no linear relationship, is used to evaluate the null hypothesis, which states that the correlation coefficient is zero. The correlation (0.65) is statistically significant with a high degree of confidence, usually 99%, when the p-value is less than 0.01.
- **Interpretation of Correlation Analysis:** The robust positive linear association between the efficacy of reward and recognition initiatives and employee retention within the firm is evident in the correlation coefficient of 0.65.

**Table 1: Correlation Matrix**

Variable	Reward and Recognition	Employee Retention
Reward and Recognition	1.00	
Employee Retention	0.87	1.00

**Table 2: Results of Hypothesis Testing**

Objective of Study	Hypothesis	Result
1. To explore the correlation of reward and recognition with employee retention.	H <sub>0</sub> : Reward and retention positively correlated with employee retention	<b>Hypothesis accepted</b>



Therefore, the hypothesis is adopted. Thus, in summary, the findings of this investigation indicate that it is essential to implement initiatives that promote reward and recognition in order to cultivate a positive organisational environment that promotes long-term employee satisfaction and loyalty.

### Conclusion

This study emphasises the significant influence of incentive and recognition programmes on the ability to retain expatriate staff. The significant positive association ( $r = 0.65$ ,  $p < 0.01$ ) between these programmes and employee retention highlights the crucial role of customised incentive techniques in improving job satisfaction and commitment among expatriates. It is important for multinational corporations to give top priority to creating extensive incentive and recognition programmes that specifically target the distinctive difficulties encountered by expatriates. Through this approach, organisations can cultivate a nurturing and inspiring work atmosphere, resulting in enhanced employee retention, continuous organisational expansion, and a competitive advantage in the global marketplace.

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